

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N.W.
SUITE 200
WASHINGTON, D.C.

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

20006-2973

(202) 393-2266
FAX (202) 393-2156

OF COUNSEL
URBAN A. LESTER

19891-A

October 19, 1999

RECORDATION NO. 19891-A FILED

OCT 22 '99

3-20PM

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of an Assignment and Assumption Agreement, dated as of July 22, 1999, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Railcar Mortgage previously filed with the Board under Recordation Number 19891.

The names and addresses of the parties to the enclosed document are:

Assignor: St. Marys Railroad Company
1000 Osborne Street
St. Mary's Georgia 31558

Assignee: St. Marys Railroad LLC
1000 Osborne Street
St. Mary's, Georgia 21558

A description of the railroad equipment covered by the enclosed document is:

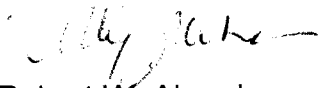
set forth in the Railcar Mortgage and Security Agreement previously filed therein

Mr. Vernon A. Williams
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Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copy of the enclosed document to the undersigned.

Very truly yours,


for Robert W. Alvord

RWA/bg
Enclosures

OCT 22 '99

3-20PM

ASSIGNMENT AND ASSUMPTION AGREEMENT AND CONSENT

ASSIGNMENT AND ASSUMPTION AGREEMENT AND CONSENT, dated as of July 22, 1999, by and among ST. MARYS RAILROAD COMPANY, a Georgia corporation ("Assignor"), ST. MARYS RAILROAD, LLC, a Delaware limited liability company ("Assignee"), and THE CIT GROUP/EQUIPMENT FINANCING, INC., a New York corporation ("CIT") ("Agreement").

Statement of Facts

1. CIT and Assignor entered into a Loan Agreement dated as of December 15, 1995 ("Loan Agreement"), and a Railcar Mortgage and Security Agreement, dated as of January 17, 1996 ("Mortgage"). Pursuant to the Loan Agreement and the Mortgage, CIT made a Loan to Assignor and Assignor, in consideration therefor, granted CIT a first priority security interest, in and a first priority mortgage and lien, on the Collateral (as defined in the Mortgage). Included as part of the Collateral was a bank account and the contents thereof at Nationsbank, N.A. (South) ("Bank"), Account Number 01 02099471, control or dominion over which is governed by an Assignment and Pledge Agreement, dated as of January 17, 1996, between Assignor and CIT, to which the Bank expressly consented ("Pledge"; the Agreement, the Mortgage and the Pledge, together with any other documents executed pursuant thereto, "Loan Documents").

2. Assignor, Assignee and certain of their affiliates are undertaking a reorganization as the result of which, inter alia, Assignor shall have transferred, directly or indirectly, to Assignee substantially all of its rights and assets and obligations and liabilities, including its rights and obligations under the Loan Documents.

3. A Memorandum of Railcar Mortgage and Security was duly filed with the Surface Transportation Board (Interstate Commerce Commission) and recorded on January 17, 1996, and given recordation number 19891.

4. Subsection 4.02(j) of the Loan Agreement requires that an agreement such as this be entered into to permit the consummation of the matters set forth in the preceding paragraph number 2.

In consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

Statement of Terms

1. Terms used herein which are defined in the Loan Documents are used herein with the respective meanings set forth in the Loan Documents.

2. Assignor hereby sells, assigns, transfers and conveys to Assignee, as of 1999, all of its right, title and interest in, to and under the Loan Documents and the Collateral; and Assignee hereby accepts and receives all such right, title and interest therein, excluding any claim, cause of action, liability or obligation of any nature or description or other right to payment accruing, arising or relating to any period on or prior to the date hereof or payable by reason of any act, event or omission occurring or existing on or prior to the date hereof, whether known or unknown, contingent or otherwise, as of the date hereof to have and to hold the same unto Assignee, its successors and assigns, forever.

3. Assignee hereby confirms that effective as of January 14, 1999, Assignee will unconditionally assume and agree to pay, discharge, satisfy and perform, to the extent provided in the Loan Documents and the Mortgage, any and all liabilities and obligations of Assignor under the Loan Documents and the Mortgage and any other document executed pursuant thereto, of every kind and nature, whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, secured or unsecured, known or unknown as of that date, either at that time or at any future time.

4. Without limiting the generality of the foregoing assumption of rights, obligations and liabilities, Assignee expressly affirms (a) that the assumption of rights, obligations and liabilities of Assignor by Assignee and the agreement by Assignee to pay and discharge the same, as contained and set forth herein, is, to the extent provided in the Loan Agreement and the Mortgage, an unconditional promise of payment and performance by Assignee, and Assignee's duties and obligations with respect thereto shall be construed to be that of a principal and not that of a surety, (b) that neither the Loan Agreement nor the Mortgage may be cancelled or terminated except as expressly provided therein and (c) that Lender has a first priority security interest in, and a first priority lien and mortgage on, the Collateral.

5. In order to induce CIT to consent to this Agreement, Assignee hereby represents and warrants to CIT as follows:

(a) Assignee is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware;

(b) Assignee has full power, authority and legal right to execute, deliver and perform this Agreement;

(c) this Agreement has been duly authorized, executed and delivered by Assignee and constitutes a legal, valid and binding obligation of Assignee enforceable in accordance with its terms;

(d) to the best of Assignee's knowledge, the Statement of Facts outlined in this Agreement is a true and accurate summary;

(e) Assignee has received a copy of the Loan Documents and confirms that each

of the Loan Documents constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms contained therein;

(f) the execution of this Agreement and assumption of Assignor's obligations under the Loan Documents (i) does not require any approval, consent or authorization from any shareholder, trustee, holder of any of indebtedness of Assignee, public regulatory authority or other person or entity, except for such approvals, consents and authorizations which have been duly obtained; (ii) will not contravene any laws or regulations, including, without limitation, any judgment or decree applicable to Assignee or the certificate of incorporation or bylaws of Assignee or contravene any provision of, or constitute a default under, or result in the creation of any lien upon any property of Assignee under any mortgage, instrument or other agreement to which Assignee is a party or by which it or its assets may be bound or affected; and (iii) no authorization, approval, license, filing or registration with any court or governmental agency or instrumentality is necessary in connection with the execution, delivery, performance, validity and enforceability of this Agreement, except for such authorizations and approvals which have been duly obtained;

(g) Assignee shall have been deemed to have made all of the representations and warranties, mutatis mutandis, set forth in the Loan Agreement, the Supplements executed pursuant thereto and the Mortgage;

(h) the Equipment is being operated pursuant to the Equipment Use Agreements set forth on Exhibit A hereto;

(i) no Event of Default (as defined in the Loan Agreement or the Mortgage) or event or condition which could mature into an Event of Default under the Loan Agreement or the Mortgage has occurred and is continuing; and

(j) Assignee has notified each other party to Loan Documents of the matters contemplated by this Agreement.

6. CIT consents to the transfer of Assignor's assets and the assumption of Assignor's obligations under the Loan Documents by Assignee, which consent shall become effective upon all of the following conditions precedent having been fulfilled:

(a) CIT shall have received an executed copy of this Agreement, duly executed by an authorized officer of each of Assignee and Assignor not later than _____, 1999.

(b) CIT shall have received the certificate of the chief financial officer of Assignee and the opinion of counsel, each as required by Subsection 4.02(j)(v) of the Loan Agreement.

(c) CIT shall have received such duly executed Uniform Commercial Code financing statements from Assignee, shall have made a filing of this Agreement with the

Surface Transportation Board and shall have made such other filings and taken such other actions as CIT deems necessary to protect its interest in the Collateral, Assignor and Assignee hereby agreeing to cooperate in all of the foregoing as CIT may request.

(d) CIT shall have received evidence satisfactory to it as to the compliance by Assignee with the provisions regarding insurance contained in the Mortgage.

Until such time as CIT's consent become effective, Assignor remains the "Borrower" under the Loan Agreement and "Mortgagor" under the Mortgage and shall not be released by CIT from its obligations under the Loan Documents.

7. All notices, demands and other communications under any Loan Document or this Agreement shall be in writing and shall be deemed to have been given or made sent by telecopier, by hand, by courier against receipt or when deposited in the United States mail, first class postage prepaid, addressed as follows or to such other address as any of the following persons may from time to time designate in writing to the other persons listed below:


CIT:	The CIT Group/Equipment Financing, Inc. 1211 Avenue of the Americas, 21st Floor New York, New York 10036 ATTENTION: Senior Vice President/Credit Telecopier No.: 212-536-1385
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Assignee:	St. Marys Railroad, LLC 1000 Osborne Street St. Mary's, GA 31558 ATTENTION: President Telecopier No.: 912-882-7944
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8. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York. This Agreement may be executed by the parties hereto on any number of separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, Assignor, Assignee and CIT have each executed this Agreement as of the day and year first above written.

ST. MARYS RAILROAD COMPANY
(Assignor)

By: 

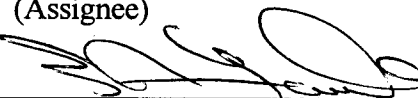
Title: TREASURER

THE CIT GROUP/EQUIPMENT
FINANCING, INC.

By: 

Title: VICE PRESIDENT

ST. MARYS RAILROAD, LLC
(Assignee)

By: 

Title: TREASURER

STATE OF NY)

SS:

COUNTY OF NY)

On this 26th day of July, 1999, before me personally appeared JOHN FAIELLA, to me personally known, who by me duly sworn, says that he/she is the TREASURER of the ST. MARYS RAILROAD COMPANY, a Georgia corporation ("Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Harry F. Brown III
Notary Public

[SEAL]

My Commission expires:

HARRY F. BROWN III
Notary Public, State of New York
No. 31-4816925
Qualified in New York County
Commission Expires March 30, 2000

STATE OF NEW YORK)

SS:

COUNTY OF NEW YORK)

On this 26th day of July, 1999, before me personally appeared JOHN FAIELLA, to me personally known, who by me duly sworn, says that he/she is the TREASURER of the ST. MARYS RAILROAD, LLC, a Delaware limited liability company ("Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Managers, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

HARRY F. BROWN III
Notary Public

[SEAL]

My Commission expires:

HARRY F. BROWN III
Notary Public, State of New York
No. 31-4816925
Qualified in New York County
Commission Expires March 30, 2000

STATE OF NEW YORK)

SS:

COUNTY OF NEW YORK)

On this 22nd day of July, 1999, before me personally appeared J. Thomas Groy to me personally known, who by me duly sworn, says that he/she is the Vice President of the THE CIT GROUP/EQUIPMENT FINANCING, INC., a New York corporation ("Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Indra Bedasie
Notary Public

[SEAL]

My Commission expires:

INDRA BEDASIE
Notary Public, State of New York
No. 01BE6014602
Qualified in Queens County
Certificate Filed in New York County
Commission Expires October 19, 2000